

MOTOR FUEL TAX ACT (EXCERPT)
Act 403 of 2000

207.1075 Purchaser's election; evidence of financial responsibility or bonding requirements; revocation of election; alternative; appeal.

Sec. 75.

(1) A purchaser who desires to make an election under section 74 shall provide to the department evidence that the purchaser meets the financial responsibility or bonding requirements imposed by subsection (2) and this act.

(2) The department may require a purchaser who pays to a supplier the tax imposed by this act to file with the department a surety bond payable to the state, upon which the purchaser is the obligor, or a cash deposit, in an amount the department believes is reasonable but not to exceed 3 times the amount due to a supplier each month. If a purchaser makes an election with more than 1 supplier, the bond amount shall be based on the tax due to all suppliers with whom the elections were made. The department may require, but is not limited to requiring, that the bond be reasonably sufficient to indemnify the department against uncollectible tax credits claimed by the supplier under section 16.

(3) The department may, after a properly noticed hearing before the department administrator responsible for implementing and enforcing this act or his or her designee, and after a showing of good cause, revoke a purchaser's election under section 74. For purposes of this section, good cause includes, but is not limited to, a showing that the purchaser failed to make a timely tax payment to a supplier as required by section 74.

(4) As an alternative to termination of the purchaser's election, the department may require further assurance of the purchaser's financial responsibility, or may increase the bond requirement for that purchaser, or may take any other action that the department may reasonably require to ensure remittance of the tax.

(5) A purchaser may appeal the department's decision under this section pursuant to section 22 of 1941 PA 122, MCL 205.22.

History: 2000, Act 403, Eff. Apr. 1, 2001